

otherwise necessary to exchange local calls with non-Qwest local carriers. SGAT § 7.3.7.1. The Transit Traffic rate element includes tandem switching and transport charges and applies to all usage among CLECs (and between a CLEC and a wireless carrier and/or an independent LEC) that transits Qwest's tandem switch. Freeberg Recip. Comp. Decl. ¶¶ 36-37. The originating carrier is responsible for paying the appropriate rates to two carriers, the terminating carrier and the transit carrier. Qwest and the terminating carrier may exchange traffic records to enable the terminating carrier to collect reciprocal compensation from the originating carrier.

Qwest exchanges significant volumes of traffic in Arizona and pays reciprocal compensation therefor, pursuant to its SGAT and negotiated, ACC-approved interconnection agreements, each of which provides for a version of reciprocal compensation. From June 1, 2002 through May 31, 2003, Qwest paid CLECs \$7,822,467 and billed CLECs \$2,124,653 for reciprocal compensation in Arizona, based on traffic exchanged with 23 actively operating CLECs. Qwest exchanged over 2 billion minutes of usage with those CLECs in May 2003. Freeberg Recip. Comp. Decl. ¶ 45.

Qwest measures reciprocal compensation performance using two PIDs. The BI-3 PID evaluates the accuracy with which Qwest bills CLECs, focusing on the percentage of billed revenue adjusted due to errors, by measuring the billed revenue minus adjustments due to errors as a percentage of total billed revenue; BI-3B measures reciprocal compensation minutes of use (excluding billing adjustments due to CLEC-caused errors). The BI-4 PID measures the completeness with which Qwest bills for local minutes of use associated with local interconnection for purposes of reciprocal compensation. Specifically, BI-4B measures the percentage of revenue associated with local minutes of use appearing on the correct reciprocal compensation bill.

Qwest's performance in Arizona under BI-3B and BI-4B for the period March through June 2003 was perfect. *See* Att. 5, App. D, Arizona Performance Results, at 285. Qwest met both the BI-3B 95% billing completeness and BI-4B 95% billing accuracy benchmarks in each of the past four months. *Id.*

**14. Checklist Item 14: Resale**

Qwest makes available for resale, at wholesale rates established by the Arizona Commission, all of the telecommunications services it offers its retail customers who are not telecommunications carriers. 47 U.S.C. § 271(c)(2)(B)(xiv). Declaration of Lori Simpson, Resale ("Simpson Resale Decl."), Att. 5, App. A; Declaration of D.M. Gude, Resale Discounts ("Gude Decl."), Att. 5, App. A. Qwest offers its resale services under rates, terms and conditions that are reasonable and nondiscriminatory and thereby complies with Checklist Item 14 in Arizona. SGAT §§ 6.1.1 and 6.2.3. Through its SGAT and ACC-approved interconnection agreements, Qwest has undertaken a legally binding obligation to offer for resale by CLECs telecommunications services that are equal in quality to, and provided in substantially the same time and manner as, the telecommunications services that Qwest provides to itself and its retail end users. Simpson Resale Decl. ¶ 11.

As of May 31, 2003, Qwest was providing 9,539 resold lines to 36 reseller CLECs in the state of Arizona. Simpson Resale Decl. ¶ 12.

In accordance with FCC rules, Qwest imposes only reasonable and nondiscriminatory limitations on the resale of telecommunications products and services. Consistent with 47 C.F.R. § 51.613, CLECs may resell a Qwest service only to the same class of end user to which Qwest itself sells that service where such restriction has been approved by the ACC. SGAT § 6.2.2; Simpson Resale Decl. ¶ 19. The SGAT lists state-approved restricted classes. SGAT §§ 6.2.2.8, 6.2.2.3; Simpson Resale Decl. ¶ 19. Qwest grants resellers access to

promotional offerings of more than 90 days at the wholesale discount, consistent with Commission policy. SGAT § 6.2.2.1; Simpson Resale Declaration ¶ 20. 30/ Resellers may sell any of Qwest's contract service arrangements to any end user customer or customers that meet the terms and conditions of that particular arrangement, subject to termination liabilities consistent with Commission precedent. SGAT § 6.2.2.7; Simpson Resale Decl. ¶ 21; *New York 271 Order*, 15 FCC Rcd at 4147-48 ¶ 390. 31/

Pursuant to SGAT § 6.1.1, Qwest complies with its obligations under Section 251(c)(4) of the Act to offer for resale, at wholesale rates, any "advanced" telecommunications service that Qwest provides "at retail to subscribers who are not telecommunications carriers." 47 U.S.C. § 251(c)(4); *see generally ASCENT*, 235 F. 3d at 664; *Connecticut 271 Order*, 16 FCC Rcd at 14160-61 ¶ 28; Simpson Resale Decl. ¶ 22. 32/ Such services include Frame Relay service, Qwest DSL service, 33/ DS1 service, DS3 service and all other "telecommunications

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30/ See *Local Competition First Report and Order*, 11 FCC Rcd at 15970-71 ¶ 950 (affirming 90 days as the point "when a promotional price ceases to be 'short term' and must therefore be treated as a retail rate for an underlying service").

31/ The Arizona Commission found that the penalties Qwest pays to CLECs under the service quality tariff should be the amount Qwest would pay its retail end users for the same failures, not the amount the CLEC paid Qwest for the resale service. Simpson Resale Decl. ¶ 18. Moreover, the Arizona Commission stated that the CLECs should pass such payments on to their resale end users. *Id.* Qwest revised SGAT Section 6.2.3.2 accordingly. *Id.*

32/ Qwest's DSL service is provided from within its regulated entity, Qwest Corporation, not by an affiliate. Simpson Resale Decl. ¶ 22 n.37.

33/ In the *Arkansas/Missouri 271 Order*, the Commission distinguished among "three categories of DSL-related service: (1) retail telecommunications service offered for resale at discount, (2) wholesale telecommunications services offered to unaffiliated ISPs, and (3) retail information service." 16 FCC Rcd at 20758 ¶ 79. Of these, only the first – unbundled DSL transmission services that an ILEC provides to end users – is subject to the resale requirements of Section 251(c)(4). See *generally id.* at 20758-60 ¶¶ 79-82; *Broadband Access NPRM*, 17 FCC Rcd at 3030, 3032-33 ¶¶ 20, 24-25. Qwest complies with these requirements by providing for resale the first category of service ("Qwest DSL Service"). Simpson Resale Decl. ¶ 22 n.38. As to the second category, the Commission did not find on the record of the Qwest 9-State

services” that Qwest offers at retail to its end users. Simpson Resale Decl. ¶ 22. 34/ CLECs may resell, over lines on which they are reselling voice service, the DSL transmission services that Qwest offers directly to end users. *Id.*; accord *Rhode Island 271 Order*, 17 FCC Rcd at 3347-48 ¶ 95. 35/

As of May 31, 2003, Qwest was providing 136 resold Qwest DSL, 1,232 resold DS1 and seven resold DS3 services to CLECs in its fourteen states, including three resold DSL, 66 resold DS1 services and one resold DS3 services to CLECs in Arizona. Simpson Resale Decl. ¶ 23.

Qwest also offers to CLECs for resale ancillary services such as operator and directory assistance services, *id.* ¶¶ 24-27, as discussed more fully in Section III(B)(7)(b) above.

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proceeding that the customer-care functions provided by Qwest transformed the wholesale DSL transmission service that Qwest provides to MSN, an ISP, into a retail telecommunications service within the meaning of section 251(c)(4). See *Qwest 9-State Order* ¶¶ 387-89. Regarding the third category, retail information services, although some CLECs continue to argue that such services trigger certain resale requirements, the Commission has categorically rejected that argument as a basis for denying a Section 271 application. See *Arkansas/Missouri 271 Order*, 16 FCC Rcd at 20759-60 ¶ 82.

34/ Details about Qwest’s advanced telecommunications offerings available for resale can be found in Qwest’s Resale Product Catalog. Simpson Resale Decl. ¶ 22 n.39.

35/ CLECs wishing to use Qwest’s facilities to offer DSL service to customers who continue to purchase retail voice service from Qwest may utilize Qwest’s standard line sharing offering, under which CLECs purchase the high-frequency portion of the loop as a UNE. Simpson Resale Decl. ¶ 22 n.40. Qwest is not required to offer “stand alone” DSL service to end-users that do not purchase retail voice service from Qwest, and Qwest does not do so. *Id.*; see, e.g., *Advanced Services Fourth Report and Order*, 16 FCC Rcd 2101, 2109-10, ¶ 16 (2001) (“We deny, however, AT&T’s request that the Commission clarify that incumbent LECs must continue to provide xDSL services in the event customers choose to obtain voice service from a competing carrier on the same line because we find that the *Line Sharing Order* contained no such requirement.”); see also *id.* at 2114 ¶ 26 (“Although the *Line Sharing Order* obligates incumbent LECs to make the high frequency portion of the loop separately available to competing carriers on loops where incumbent LECs provide voice service, it does not require that they provide xDSL service when they are not longer the voice provider.”); *Alabama, Kentucky, Mississippi, North Carolina, and South Carolina 271 Order* ¶ 164; *Texas 271 Order*, 15 FCC Rcd at 18354 ¶ 330.

Qwest further provides CLECs with the information they need to bill customers in a timely fashion. *Id.* ¶ 28.

When evaluated both individually and as a whole, Qwest's performance in installing, maintaining and repairing its resold products has been exemplary across all products and performance measures, and demonstrates that CLECs are receiving nondiscriminatory treatment with respect to resale in Arizona. <sup>36/</sup> The standard for resale performance measures is parity with retail service, and Qwest is achieving parity under the vast majority of resale performance indicators. Buhler Decl. ¶¶ 222-28. Qwest meets the standard of providing services to requesting telecommunications carriers for resale that are substantially equal in quality, subject to substantially the same conditions, and provided within substantially the same provisioning time intervals, as those it provides to its retail customers. *Id.*; see 47 C.F.R. § 51.603(b).

Qwest's wholesale discount rates for telecommunications services comply with the requirements of Sections 251(c)(4) and 252(d)(3), as well as 271(c)(2)(B)(xiv) of the 1996 Act. Gude Decl. ¶ 7. The Arizona Commission has set Qwest's wholesale discount rates for resale telecommunications services based on the retail rates Qwest charges subscribers for such services, less the portion thereof attributable to retailing costs Qwest avoids when a reseller CLEC services the end-user customer instead of Qwest. *Id.* Consistent with resale provisions of the 1996 Act and with the FCC's *Local Competition First Report and Order*, 11 FCC Rcd at 15958 ¶ 916, the Arizona Commission evaluated avoided cost studies to determine the costs that Qwest avoids when providing telecommunications service for resale. Gude Decl. ¶ 9. The resale

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<sup>36/</sup> The performance measurements and products that apply to resale are set forth at paragraphs 222 to 228 of the Buhler Declaration.

discounts specified by the Arizona Commission have been incorporated at Section 6.0 of

Exhibit A of Qwest's approved Arizona SGAT. *Id.* ¶ 14. 37/

**C. Qwest Offers CLECs Nondiscriminatory Access to its Operations Support Systems**

**1. Qwest's Regionwide OSS Satisfies the Requirements of Section 271 in Arizona**

The FCC has repeatedly found that Qwest provides CLECs with access to its systems, databases and personnel - collectively referred to as "OSS" - on a nondiscriminatory basis and in accordance with the FCC's rules. *See Qwest Minnesota Order* ¶ 15; *Qwest 3-State Order* ¶ 35; *Qwest 9-State Order* ¶ 34; *see generally* OSS Decl., Att. 5, App. A. This bears directly on the instant application because, as explained more fully below, Qwest uses the same OSS throughout its 14-state region. 38/ *See Qwest Minnesota Order* ¶ 17; *Qwest 3-State Order* ¶ 37; *Qwest 9-State Order* ¶¶ 11, 37.

The FCC has held that Qwest provides CLECs with access to its OSS so CLECs can formulate and place orders for network elements or resale services, install service to their customers, order maintenance and repair work, and bill customers. *See Qwest 3-State Order* ¶ 35; *Qwest 9-State Order* ¶ 34; *see also* OSS Decl. Sections III-VII. The FCC also has held that Qwest provides technical assistance to CLECs that use these functions; that Qwest provides

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37/ Public Access Lines ("PALs") are subject to the 18% wholesale discount rate applicable to all other Qwest telecommunications services in Arizona. Simpson Resale Decl. ¶ 29; Gude Decl. ¶ 13 n.14.

38/ Differences among the systems and process in Qwest's Western, Central and Eastern regions (due to operational differences among the legacy systems of the former Pacific Northwest Bell, Mountain Bell and Northwestern Bell) are imperceptible to CLECs and end users. A Regional Differences Assessment conducted by KPMG prior to commencement of the ROC's test of Qwest's OSS confirmed that Qwest's OSS is materially consistent across the region. *See* OSS Decl. ¶¶ 98. Although Arizona did not participate in the ROC test, the findings of that test apply equally to Arizona. *See id.* ¶ 99.

documentation that enables CLECs to build an EDI interface; and that Qwest provides testing environments that enable CLECs to test their EDI interfaces. *See Qwest 3-State Order* ¶ 35; *Qwest 9-State Order* ¶¶ 132-152; OSS Decl. Section VIII. Technical assistance, EDI documentation and testing are discussed below in the section titled “Change Management and Technical Assistance.”

Commission precedent dictates that “[t]he most probative evidence that OSS functions are operationally ready is actual commercial usage.” *Qwest Minnesota Order* App. C ¶ 31; *Qwest 3-State Order* App. F ¶ 31; *Qwest 9-State Order* App. K ¶ 31. Qwest satisfied precisely this standard in its earlier Section 271 applications. *See Qwest Minnesota Order* ¶ 18 (“We base [our] determination on Qwest’s actual performance in the state of Minnesota”); *Qwest 3-State Order* ¶ 38 (“We base [our] determination on Qwest’s actual performance in the three application states”); *Qwest 9-State Order* ¶ 37 (“We base [our] determination on Qwest’s actual performance in the nine application states”). This application makes the same showing with respect to Arizona.

To support its commercial performance results, and to address those aspects of its OSS for which there are no assigned PIDs, Qwest subjected its OSS to rigorous testing by two independent third parties, CGE&Y and KPMG. <sup>39/</sup> CGE&Y’s test was designed and executed under the supervision of the ACC. KPMG’s test was designed and executed under the ROC’s supervision. Both tests are described more fully in Section II of the OSS Declaration. In Qwest’s earlier Section 271 proceedings, the FCC repeatedly cited the results of the ROC Third Party Test to support the conclusion that Qwest is providing - and will continue to provide - CLECs with pre-ordering, ordering, provisioning, maintenance and repair, and billing

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<sup>39/</sup> KPMG is today known as BearingPoint, Inc. For consistency, we refer herein to “KPMG” as the vendor that managed the ROC OSS Test process.

capabilities, as well as technical assistance, on a nondiscriminatory basis. *See, e.g., Qwest 9-State Order* ¶¶ 41, 49, 94, 108, 118, 131, 155, 165. The FCC should do so here, also. Although Arizona did not participate in the ROC test, the findings of that test apply equally to Arizona because Arizona uses the same Central Region OSS as several of the states (Colorado, New Mexico, Utah) that participated in the ROC test. *See id.* ¶ 99.

Arizona's own test of Qwest's OSS demonstrates that it meets the FCC's non-discrimination requirements under Checklist Item 2. *See id.* ¶¶ 19-79, 199-211, 261-267, 338-351, 420-428, 479-492, 614-620, 698-706, 752, 827-842. The ACC expressly reached this conclusion when, in a recent Special Open Meeting, it approved by a vote of 4-0 its conclusion that Qwest satisfies Checklist Item 2 with respect to OSS. *See ACC Transcript of Proceedings*, Docket No. T-00000A-97-0238, August 21, 2003, at 65-68 (the ACC's fifth commissioner did not participate in the meeting). In fact, when tallying the votes, Chairman Spitzer commented that "based on the result of the test and resolution of [other] matters, [Qwest] has made outstanding progress, has passed the test . . . [and, in doing so, has demonstrated] its ability to deal with a large number of complicated issues in a competitive environment with the CLECs." *Id.* at 67-68.

## **2. Qwest's OSS Performance**

### **a) Electronic and Manual Interfaces**

Qwest provides an array of electronic gateways and manual processes through which CLECs can access and interact with Qwest's OSS. *See OSS Decl.* ¶¶ 119-128, 226-238, 454-462. The Commission has held that, in order to obtain Section 271 relief, a BOC must demonstrate that it has "developed sufficient electronic . . . and manual interfaces to allow [CLECs] equivalent access to all of the necessary OSS functions," and that its OSS "is designed to accommodate both current demand and projected demand." *Qwest 9-State Order* ¶ 30. Qwest



satisfied both of these requirements in its prior Section 271 proceedings, *see, e.g., id.* ¶¶ 40-41, and unquestionably does so again here.

CLECs have timely access to all of the necessary OSS functions. Qwest makes available to CLECs two electronic gateways, IMA-EDI and the IMA-GUI, for pre-ordering and ordering via LSRs. *See Qwest 9-State Order* ¶ 40; OSS Decl. ¶¶ 121-127, 229-232. Qwest also makes available to CLECs two additional electronic gateways, EXACT and TELIS, for ordering via ASRs. OSS Decl. ¶¶ 325-238. Additionally, Qwest provides CLECs with two electronic gateways, EB-TA and CEMR, for M&R activities. *Id.* ¶¶ 456-461. CLECs also can submit pre-ordering queries by telephone and fax, and orders and M&R requests by fax. *Id.* ¶¶ 128, 233-234, 462. The FCC previously has found that Qwest's interfaces are "generally available as scheduled" in other states in the Qwest region. *Qwest 9-State Order* ¶ 45. Qwest's comparable performance in this application demonstrates that the same conclusion is applicable in Arizona.

Qwest's gateways - and, more generally, Qwest's OSS - are capable of supporting both current and future demand. The electronic and manual interfaces discussed above have been proven to function successfully in a commercial setting. *See Buhler Decl.* ¶¶ 87-89, 138-140. In Arizona during the period July 2002 through June 2003, 18 CLECs submitted commercial volumes of LSRs to Qwest through IMA-EDI and 43 CLECs did so through the IMA-GUI. *See OSS Decl.* ¶ 230 n.314; ¶ 232 n.315. For the same period in Arizona, these CLECs submitted a total of 87,110 LSRs *via* IMA-EDI, 133,909 *via* IMA-GUI, and 14,543 by fax; and 30,900 ASRs *via* EXACT and TELIS. *See OSS Decl.* ¶ 337. Qwest made its IMA-EDI, IMA-GUI, EXACT, EB-TA and CEMR gateways available to CLECs more than 99.25% of the time in Arizona over the past four months, meeting - and often exceeding - the required benchmark. *See Buhler Decl.* ¶¶ 87-89, 138-139. CGE&Y's and KPMG's independent evaluations of Qwest's OSS confirmed that Qwest is capable of meeting current and projected

demand, and that its systems can be scaled. *See Arizona Final Report* at 262-319; *ROC Final Report* at 258-266, 590-591; OSS Decl. ¶¶ 344-350, 382-386.

**b) Pre-ordering**

The Commission has held that, in order to qualify for Section 271 relief, a BOC must demonstrate that “(i) it offers nondiscriminatory access to OSS pre-ordering functions associated with determining whether a loop is capable of supporting xDSL advanced technologies; (ii) [CLECs] successfully have built and are using application-to-application interfaces to perform pre-ordering functions and are able to integrate pre-ordering and ordering interfaces; and (iii) its pre-ordering systems provide reasonably prompt response times and are consistently available in a manner that affords competitors a meaningful opportunity to compete.” *See Qwest Minnesota Order App. C ¶ 33; Qwest 3-State Order App. F ¶ 33; Qwest 9-State Order App. K ¶ 33.* The FCC previously found that Qwest meets each of these requirements. *See Qwest Minnesota Order ¶ 19; Qwest 3-State Order ¶ 39; Qwest 9-State Order ¶¶ 40-83.* This same conclusion applies here.

Qwest provides CLECs with pre-ordering capabilities that meet all required Section 271 criteria. CLECs can perform the following pre-ordering transactions through Qwest’s OSS interfaces: Address Validation; Customer Service Records; Service Availability; Reserve and Cancel Telephone Numbers; Facility Availability; Loop Qualification (for qualifying Qwest DSL for Resale and Unbundled Loop); (Raw Loop Data); Connecting Facility Assignment; Meet Point Query; Schedule and Cancel Appointments; and Access to Directory Listings. *See OSS Decl. ¶ 131.*

*Loop Qualification:* Consistent with its policies promoting the deployment of broadband, the Commission has in the past paid particular attention to a BOC’s ability to provide CLECs with complete and effective loop qualification information. *See, e.g., Qwest Minnesota*

*Order App. F ¶ 35; Qwest 3-State Order App. C ¶ 35; Qwest 9-State Order App. K ¶ 35.* The FCC already has found “that Qwest provides [CLECs] with access to loop qualification information in a manner consistent with the requirements of the *UNE Remand Order*.” *Qwest 9-State Order ¶ 61.* Because the systems and processes Qwest uses to provide loop qualification information have not changed since Qwest’s last Section 271 filing, the FCC should reach the same conclusion here.

*Pre-order To Order Integration:* The FCC has held that a BOC can demonstrate that CLECs have pre-order/order integration capability by showing that the BOC parses CSR information into identifiable fields for CLECs; or, if the BOC does not provide parsed pre-order information, that CLECs can and have been able to integrate successfully. *See Georgia/Louisiana 271 Order ¶ 120.* The FCC previously has held that CLECs are able to integrate using Qwest’s OSS based on evidence that Qwest parses pre-order information and HP’s ability to integrate successfully during the ROC Third Party Test. *See Qwest 9-State Order ¶ 47.* HP also determined that CLECs can successfully integrate pre-order data into their ordering LSRs during the Arizona Third Party Test. *See OSS Decl. ¶¶ 261-262.* In light of these factors, the FCC’s prior finding that Qwest satisfies the pre-order to order integration requirement also should apply here.

*Pre-ordering Response Times:* As in Qwest’s earlier Section 271 applications, Qwest’s commercial performance results demonstrate that the company provides CLECs with reasonably prompt responses to pre-order queries and thus affords CLECs a meaningful opportunity to compete. *See, e.g., Qwest 9-State Order ¶¶ 43-44; Buhler Decl. ¶¶ 90-101.* In Arizona, Qwest has met or exceeded the benchmarks for every pre-ordering transaction type measured in each of the past four months. *See Buhler Decl. ¶¶ 90-101.* Qwest also has

consistently met the 0.5% benchmark for pre-order timeouts for each of the past four months.

*See id.*

**c) Ordering**

The FCC has found that Qwest's commercial performance and the results of the Third Party Test demonstrate that Qwest provides CLECs "with access to the OSS functions necessary for placing wholesale orders." *Qwest 9-State Order* ¶ 84 and App. K ¶ 36. *See also Qwest Minnesota Order* ¶ 20 ("we find that Qwest demonstrated it provides nondiscriminatory access to its ordering systems"); *Qwest 3-State Order* ¶ 43 ("Qwest . . . provides nondiscriminatory access to its ordering systems"). The same factual circumstances that supported this conclusion are present in the instant application and the FCC's findings regarding ordering therefore should apply here.

It is well understood that the FCC "looks primarily at the [BOC's] ability to return order confirmation notices, order reject notices, order completion notices and jeopardies, and at [the BOC's] order flow-through rate" to determine whether the BOC provides CLECs with ordering capabilities in a nondiscriminatory manner. *Qwest 9-State Order* ¶ 84 and App. K ¶ 36. As it did in its earlier Section 271 filings, Qwest meets the FCC's requirements in each of these areas. *See generally* OSS Decl. at Section IV.

*Confirmation Notices:* Qwest returns an FOC to a CLEC to inform the CLEC that its LSR is valid and that the service order associated with its LSR has been issued with an established due date. *See* OSS Decl. ¶ 278. The PIDs used to assess Qwest's performance in this area evaluate FOCs in a variety of formats covering a wide range of product types and product groups. *See* Buhler Decl. ¶¶ 102-104. The commercial performance data show that Qwest has returned FOCs to CLECs on a timely basis and in compliance with the applicable PID in each of the past four months in Arizona. *See id.* ¶ 105. In an earlier Qwest Section 271

proceeding, the FCC explicitly identified Qwest’s “strong commercial performance on FOC timeliness” as evidence of compliance. *See Qwest 9-State Order* ¶ 87. The same strong performance is evident here.

*Reject Notices:* A valid LSR submitted by a CLEC travels from the applicable gateway or manual process through to the Service Order Processor (“SOP”). *See OSS Decl.* ¶ 286. If the LSR submitted by the CLEC is missing information or contains incomplete, mismatched or unintelligible information, Qwest will, depending on the severity, issue a non-fatal or fatal error notice. *Id.* Fatal errors are rejected (though CLECs can correct them by submitting a new LSR). *Id.*

The commercial performance data show that, as in Qwest’s earlier Section 271 filings, Qwest has provided reject notices to CLECs on a timely basis in compliance with the applicable PID in each of the last four months in Arizona. *See Buhler Decl.* ¶ 109; *see also Qwest 9-State Order* ¶ 87 (“we find that Qwest has demonstrated that it provides . . . reject notices in a timely manner”). Qwest’s OSS Declaration, which contains information on CLEC-specific reject rates under PID PO-4, further demonstrates that CLECs are capable of achieving low reject rates when submitting LSRs through Qwest’s OSS. *See OSS Decl.* ¶ 290, *citing* Exh. LAH-OSS-54A.

*Completion Notices:* Once a CLEC-requested LSR has been fully processed, provisioned and completed in the SOP, Qwest issues an LSR-level Work Completion Notice to the CLEC to indicate that its entire service order has been completed. *See OSS Decl.* ¶ 291. Qwest’s Work Completion Notice is sometimes referred to as a Service Order Completion. *Id.*

The PID evaluating SOC timeliness requires Qwest to provide Work Completion Notices to CLECs within six hours (subject to the hours of gateway availability) on average for orders placed via IMA-EDI and the IMA-GUI. *See Buhler Decl.* ¶ 116. The commercial

performance data show that Qwest has provided Work Completion Notices to CLECs in compliance with this benchmark in Arizona in each of the past four months for both IMA-EDI and the IMA-GUI. *See id.*

*Jeopardies:* Occasionally, Qwest is unable to meet the commitment date of a particular LSR or ASR. When this happens, Qwest generates and transmits to the CLEC a Jeopardy Notice indicating that the order is at risk of not being fulfilled by the committed due date. *See* OSS Decl. ¶ 294. CLECs also can receive Jeopardy Notices after receiving FOCs for incorrect LSRs. *See id.* ¶ 295. This occurs under certain, limited scenarios, most of which are within the CLEC's control. *See id.* ¶¶ 296-297. These scenarios – which are described more fully in the OSS Declaration – have been discussed with CLECs and documented under the Change Management Process. *See id.* CLECs therefore should have an understanding of how their orders will be processed – and what notices they can expect to receive – under these circumstances. *See id.*

The PIDs applicable to Jeopardy Notices evaluate two separate measures: (1) the average number of days Qwest provides Jeopardy Notices in advance of the order due date (PO-8); and (2) the percentage of late orders for which Qwest provides such advance notice (PO-9). *See* Buhler Decl. ¶ 117. Both PIDs are used to evaluate four product groups: Non-Designed Services; Unbundled Loops; LIS Trunks; and UNE-P POTS. *Id.* ¶ 118.

With only minor exceptions, Qwest met the standard for providing Jeopardy Notices under PO-8 (when jeopardy conditions occurred) for each of these product groups in Arizona over the last four months. *See id.* ¶¶ 119, 121, 123-124. In fact, Qwest's results in Arizona surpass its performance in its earlier 9-State Section 271 application, which the FCC found to be compliant. *See Qwest 9-State Order* ¶ 92.

Qwest's performance under PO-9 was even better. Specifically, Qwest met the parity standard (when jeopardy notices were issued and parity comparisons were possible) for all product groups under PO-9 in Arizona in each of the 12 months. *See* OSS Decl. ¶¶ 120, 122-123, 125. This too surpasses the level of performance Qwest demonstrated in its 9-State application, which the FCC found to be acceptable. *See Qwest 9-State Order* ¶ 93.

*Flow-Through Rate:* Flow-through identifies whether orders placed by CLECs are able to pass through the SOP without manual intervention. *See* OSS Decl. ¶ 299. Although flow-through rates can sometimes be useful as an indicator of a BOC's ability to process CLEC orders, the FCC has stated that "it is inappropriate to consider order flow-through rates the sole indicia of parity" where record evidence of a BOC's ability to process CLEC orders in a timely manner exists. *See New York 271 Order*, 15 FCC Rcd at 4034-35 ¶¶ 161-163; *see also Qwest 9-State Order* ¶¶ 106-107; *New Jersey 271 Order* ¶ 131. Under this standard, Qwest's demonstrated ability to return order confirmation notices, reject notices, completion notices and jeopardies in a timely manner - as described above - can well be considered a more significant indicator of its performance than its flow-through rates.

The FCC previously found "that Qwest's OSS are capable of flowing through UNE orders in a manner that affords competing carriers a meaningful opportunity to compete." *Qwest 9-State Order* ¶ 106; *see also Qwest Minnesota Order* ¶ 22 (finding Qwest's flow-through capability checklist compliant); *Qwest 3-State Order* ¶ 45 (same). The same conclusion is warranted here. With a few exceptions, Qwest's flow-through rates generally met the required PID benchmarks over the last four months. *See Buhler Decl.* ¶¶ 130-134. This is not surprising given Qwest's strong performance in each of the other order-related categories discussed above.

*Manual Handling:* The FCC previously found that Qwest is capable of manually processing orders accurately. *See Qwest 9-State Order* ¶ 98. In doing so, the FCC analyzed

Qwest's manual handling timeliness and accuracy using PO-20 and Qwest's "Service Order Accuracy" (sometimes previously referred to as "OP-5++") PIDs. *See id.* Qwest's performance in Arizona under these measures demonstrates, once again, that Qwest is capable of manually handling service orders in a timely and accurate manner. During the past four months, Qwest has accurately processed over 96% of Resale and UNE-P POTS LSRs and over 97% of Unbundled Loop LSRs that have fallen out for manual processing under PO-20. *See* OSS Decl. ¶ 305. Qwest's overall service order accuracy (as measured under Qwest's "Service Order Accuracy" PID) has been even stronger, with Qwest issuing more than 99.39% of orders error free in Arizona over the past four months. *See id.* ¶ 333. Although both PO-20 and Qwest's "Service Order Accuracy" PIDs are subject to further revision through the Long-Term PID Administration Process, Qwest's performance under their existing formulations leaves no doubt that it is capable of processing manual orders on a timely and accurate basis.

**d) Provisioning**

The FCC has confirmed that Qwest provides CLECs with access to the same or comparable provisioning-related functions that it uses in connection with its Retail service. *See Qwest 9-State Order* ¶ 161. These functions, which include Status Updates, Service Order Status Inquiries, View Design Layout Record, and Loss and Completion Reports, are described in the OSS Declaration. *See* OSS Decl. ¶¶ 393-416. 40/

**e) Maintenance and Repair**

The FCC has found that Qwest's maintenance and repair systems and processes permit CLECs to locate and diagnose trouble that their customers may experience when using

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40/ Qwest's commercial performance with respect to provisioning is discussed in the context of specific products and services. *See* Section III(B), above. Generally, the commercial performance data show that Qwest provisions CLEC orders "in substantially the same time and



the Qwest network. *See Qwest 9-State Order* ¶ 153 (“[W]e conclude . . . that Qwest provides nondiscriminatory access to its maintenance and repair OSS functions”); *see also Qwest Minnesota Order* ¶ 26 (same); *Qwest 3-State Order* ¶ 46 (same). Qwest’s systems and processes allow CLECs to communicate efficiently any trouble to Qwest so that, if appropriate, Qwest can repair service for CLECs and their end user customers. *See OSS Decl.* ¶ 452. Qwest assures CLECs substantially the same access to its maintenance and repair systems and functions as it provides to itself through a streamlined process to diagnose and correct trouble. *See id.*

¶ 453. 41/

**f) Billing**

The FCC has confirmed repeatedly that Qwest provides CLECs with nondiscriminatory access to its billing functions. *See Qwest Minnesota Order* ¶ 30; *Qwest 3-State Order* ¶ 50; *Qwest 9-State Order* ¶ 114. The bills generated by Qwest’s two primary billing systems – the Customer Records and Information System (“CRIS”) and Integrated Access Billing System (“IABS”) – support mechanized bill analysis by CLECs. *See OSS Decl.* ¶¶ 528-571; 572-582. From the CRIS billing system, Qwest provides electronic bills in ASCII, EDI, and BOS formats, each of which allow for bill auditing. *See id.* ¶ 560-571. Similarly, Qwest provides bills from IABS that follow Telcordia’s guidelines, which support mechanized analysis. *See id.* ¶ 579. Qwest also provides CLECs with complete and accurate reports on their service

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manner as its provisions orders for its own retail customers.” *See Qwest 9-State Order App. K* ¶ 37.

41/ As with provisioning, Qwest’s commercial performance with respect to most maintenance and repair activities is discussed in the context of specific products and services. *See* Section III(B), above. Suffice it to say here that the commercial data under the maintenance and repair-related PIDs that aggregate Qwest’s performance for all products and services - OP-2 and MR-2, both of which compare the percentage of Retail and Wholesale calls to the Interconnect Provisioning Center (“IRC”) that are answered within 20 seconds - show that Qwest

usage in the form of a Daily Usage File. *See id.* ¶¶ 598-608. Significantly, these are the same billing systems the Commission evaluated when it previously found Qwest's billing to be Section 271-compliant.

A total of six PIDs are used to measure Qwest's ability to provide CLECs with complete and accurate billing information:

- BI-1: Qwest's ability to provide recorded usage records on a timely basis.
- BI-2: Qwest's ability to deliver invoices to CLECs on a timely basis.
- BI-3: Qwest's ability to render accurate bills.
- BI-4: Qwest's ability to render complete bills.
- BI-5: Qwest's ability to acknowledge and resolve billing disputes on a timely basis.
- PO-7: Qwest's ability to make available electronic billing completion notices to CLECs on a timely basis.

*See Buhler Decl.* ¶¶ 142-155.

Qwest's performance under each of these PIDs in Arizona has been strong. For instance, Qwest provided CLECs with daily usage records on a timely basis under BI-1 in Arizona in each of the past four months. *See id.* ¶ 145. Qwest also delivered industry-standard electronically transmitted invoices to CLECs at parity with its Retail operations under BI-2 in Arizona over the past four months. *See id.* ¶ 148. Qwest's delivery of billing completion notices to CLECs under PO-7 was equally impressive, as Qwest delivered such notices *via* IMA-EDI and the IMA-GUI at parity or better in each of the past four months. *See id.* ¶ 155. Qwest also timely acknowledged and resolved billing disputes under BI-5 every month in Arizona since Qwest first committed to reporting such results (in August 2002). *See id.* ¶ 152.

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responds to CLEC calls to the IRC in a nondiscriminatory manner. *See Buhler Decl.* ¶¶ 140 (MR-2), 156 (OP-2).

Qwest met the parity standard for rendering accurate bills to CLECs under BI-3 in two of the past four months. *See id.* ¶ 150. But the reasons Qwest missed the parity standard in the other months have since been corrected. *See id.* ¶ 150. Qwest also has demonstrated that it is capable of timely rendering complete bills to CLECs under BI-4 by meeting the parity standard under that PID in each of the past four months. *See Buhler Decl.* ¶¶ 151.

**D. Change Management and Technical Assistance**

Qwest believes it has in place the most comprehensive, inclusive, and forward-looking change management plan in the nation. *See Declaration of Judith M. Schultz, Change Management (“CMP Decl.”), Att. 5, App. A, ¶ 9 and Section III.* As the ACC Staff observed in a May 2002 report, “[T]here is no question . . . that Qwest has, with extensive assistance by the CLECs, developed one of the most comprehensive and effective Change Management Processes in existence in the telephone industry today.” <sup>42/</sup> At its August 21, 2003, Special Open Meeting, the ACC concluded that Qwest’s change management plan, including its stand-alone test environment (“SATE”), satisfies the requirements of Section 271. *See ACC Transcript of Proceedings*, Docket No. T-00000A-97-0238, August 21, 2003, at 65-68. Qwest’s change management plan is the product of a collaborative redesign process, conducted jointly by Qwest and CLECs, which was begun in July 2001 and completed in October 2002. <sup>43/</sup> The plan has

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<sup>42/</sup> ACC Staff Supplemental Report on Change Management (May 7, 2002), CMP Decl. Exh. JMS-CMP-9. *See also* Cap Gemini Ernst & Young, Qwest Change Management Process Redesign Evaluation: Version 5.0 (May 1, 2002) at 17, CMP Decl. Exh. JMS-CMP-8 (“When the redesign effort is completed, Qwest’s Change Management Process will go far beyond any other such process in the local telecommunications industry.” (citing comment by Allegiance Telecom that Qwest’s CMP is “more encompassing and responsive” than those of other ILECs because it includes product and process issues as well as systems issues)); CMP Decl. § IV(C).

<sup>43/</sup> The procedures governing the redesigned change management process are set forth in Qwest’s “Change Management Process for Local Services,” hereafter referred to as the “CMP Framework.” The CMP Framework is included as CMP Decl. Exhibit JMS-CMP-2, and may be found on Qwest’s wholesale website at <http://www.qwest.com/wholesale/cmp/whatiscmp>.

been fully implemented, and includes procedures governing changes both to Qwest's OSS interfaces and to its products and processes. CMP Decl., Section V(D), ¶ 135. Qwest's change management process is identical throughout its 14-state region. *Id.* ¶ 17.

As the Commission has held, and as discussed below, Qwest's change management process satisfies each of the factors the Commission considers in evaluating a BOC's change management plan. <sup>44/</sup> Those factors also are addressed in the CMP Declaration at Section V (accessibility of CMP information, CLEC input, dispute resolution, and pattern of compliance), and in the OSS Declaration at Section VIII (technical assistance, EDI documentation, and interface testing).

***1. Accessibility and organization of information relating to the change management process.*** As the Commission concluded in the 9-State proceeding, Qwest's current CMP "is clearly drafted, well organized, and accessible." *Qwest 9-State Order* ¶ 133 (footnote omitted). Qwest provides easy access to information about the change management process, both through its wholesale website and through frequent communications with CLECs *via* e-mail, the notifications process, and otherwise. *Id.*; *see* CMP Decl. at Sections III(C)(3), V(A); <http://www.qwest.com/wholesale/cmp/index.html>. The contents of the CMP website were negotiated by CLECs and Qwest in the redesign session and are specified in the CMP Framework at Section 3.3. Exhibit JMS-CMP-6 to the CMP Declaration contains screenshots of the CMP website pages as they appeared on August 1, 2003. The Qwest wholesale website describes the CMP process, shows CLECs how to participate, provides forms and instructions, provides up-to-date information about change requests under consideration, includes CMP

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<sup>44/</sup> *Qwest 9-State Order* ¶¶ 132-152; App. K ¶¶ 40, 42. These include the five factors specifically identified at *id.*, App. K ¶ 42, as well as the adequacy of technical assistance provided by the BOC to CLECs using its OSS and the demonstration of a pattern of compliance with a BOC's change management procedures over time.

meeting agendas and minutes, and makes new documentation available for review and comment online by CLECs.

**2. CLEC input into the design and continued operation of the change management process.** As the Commission concluded in the 9-State proceeding, Qwest's change management process, and the redesign process that generated the current CMP, demonstrate that competing carriers have had and will continue to have "substantial input in the design and continued operation" of Qwest's CMP. *Qwest 9-State Order* ¶¶ 134-135 and App. K ¶ 42.

As noted above, the current Qwest change management plan is the product of an intense, collaborative effort by Qwest and CLECs to redesign Qwest's change management procedures. These "redesign" meetings took place generally four days per month, beginning in July 2001, and ended in October 2002 with completion of the plan. The meeting agendas and minutes were posted on the website. CGE&Y representatives attended many of the redesign sessions, as did representatives of KPMG and members of the staffs of both the Colorado Public Utilities Commission ("CPUC") and the Idaho Public Utilities Commission. CMP Decl. ¶ 10. The product of this collaborative effort is the current Qwest Change Management Plan, or the "CMP Framework." *Id.* ¶ 9; see Exh. JMS-CMP-2.

The Qwest CMP provides for substantial CLEC input throughout the lifecycle of both CLEC and Qwest initiated change requests ("CRs"). See generally CMP Decl. ¶¶ 123-127. Qwest and CLECs meet on a regular basis - two days a month - to discuss, consider, and modify CRs and to discuss Qwest's proposed responses to CRs. One day is devoted to OSS interface CRs, one day to product and process CRs. *Id.* ¶ 4 & n.10. CLECs and Qwest also meet to prioritize the accepted OSS interface change requests in advance of each new release. *Id.* ¶¶ 5, 125, 157. Qwest and each CLEC have one vote apiece in the prioritization process. *Id.* ¶¶ 74,

125; CMP Framework, §§ 10.3.2, 10.3.3. The prioritization process is described in detail in the CMP Declaration at Section III(C)(13).

CLECs also have the opportunity to review and submit comments on draft technical specifications for the introduction of new or changed systems interfaces and to participate in “walk-throughs” of those specifications with Qwest subject matter experts, all at specified intervals prior to release. CMP Decl. Sections III(C)(10), (11); CMP Framework §§ 7, 8. CLECs also are able to review and comment on draft documentation for new products and technical publications, *via* a web-based comment tool. OSS Decl. ¶ 662; CMP Decl. Exh. JMS-CMP-6. In addition to providing for CLEC input into the processing of CRs and the finalization of technical specifications, the CMP Framework includes, for example, notification intervals for changes to interfaces, production support procedures for handling trouble tickets, and escalation and dispute resolution procedures, all of which promote CLEC involvement in the management of changes to Qwest’s OSS interfaces, products, and processes. CMP Decl. Sections III(C) (11), (15), and (17); CMP Framework §§ 8, 12, 14, 15.

**3. Procedures for the timely resolution of change management disputes.** As the Commission concluded in the 9-State proceeding, Qwest has in place procedures for the timely resolution of change management disputes, both with respect to the change management process itself and with respect to the CMP redesign process. *Qwest 9-State Order* ¶ 136. <sup>45/</sup> These escalation and dispute resolution procedures were developed jointly by CLECs and Qwest in the redesign process.

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<sup>45/</sup> CMP Decl. ¶¶ 90-92, 128-133. See CMP Framework § 14 (escalation); § 15 (dispute resolution); CMP Re-design Procedures for Voting and the Impasse Resolution Process, CMP Decl. Exh. JMS-CMP-5.

For the change management process itself, the streamlined escalation process enables CLECs to raise a disputed issue to a single point of contact in the Qwest organization, and to obtain a final binding statement of position from that contact within seven days for a disputed change request and within 14 days for other escalations. CMP Decl. ¶¶ 90-91; CMP Framework § 14.2. A CLEC or Qwest can bypass the escalation process and immediately invoke the dispute resolution process. Disputes may be submitted to a third party arbitrator, if the parties agree, or to an appropriate regulatory agency. CMP Decl. ¶¶ 92, 130; CMP Framework § 15. As of June 30, 2003, the escalation procedures had been invoked a total of ten times; as of that date, no change management issue had yet gone to dispute resolution under the new CMP Framework. CMP Decl. ¶ 128.

Separate dispute resolution procedures applied to the redesign process. Under those procedures the parties were required to negotiate in good faith and make every effort to reach consensus before invoking the dispute resolution procedures. See CMP Decl. ¶ 131; CMP Re-design Procedures for Voting and the Impasse Resolution Process, CMP Decl. Exh. JMS-CMP-5. During the entire redesign process, only one redesign issue went to impasse, and it was quickly resolved by the CPUC. CMP Decl. ¶ 132.

***4. Availability of a stable testing environment that mirrors production.*** Since 1998, Qwest has provided to CLECs a test environment for testing and becoming certified to use Qwest's IMA-EDI interface. This "Interoperability" environment validates test transactions against actual production data for pre-order and order transactions, using real production legacy systems. Transactions are submitted into a test system that is a copy of IMA and is physically separate from the production database. OSS Decl. ¶¶ 768-769.

On August 1, 2001, Qwest implemented another test environment, the stand-alone test environment ("SATE"), partly in response to concerns raised by KPMG and CLECs

regarding the Interoperability environment - in particular, regarding the need for CLECs to use their own account data to test in Interoperability. *See* OSS Decl. ¶¶ 775-776. In SATE, Qwest provides CLECs with account data and scenario information (test decks) that can be submitted into the test environment, which returns pre-defined test scenarios that mimic production responses. *Id.* ¶¶ 776-780. CLECs may test in either or both of the Interoperability and SATE environments, which offer CLECs different options and capabilities. *Id.* ¶ 763. In the 9-State proceeding, the Commission concluded that SATE satisfies Section 271 because it provides CLECs a “stable test environment that mirrors production.” *Qwest 9-State Order* ¶¶ 137-143 and App. K ¶ 42. 46/

As the Commission found, SATE is “stable” because Qwest has undertaken to make no changes (other than bug fixes) during the 30-day period prior to implementation of a major release. *Qwest 9-State Order* ¶ 139 & n.514; OSS Decl. ¶¶ 796-797. The Commission also found that SATE “mirrors production.” *Qwest 9-State Order* ¶ 139. SATE allows CLECs to run practice transactions that generate responses that mimic production without actually using production data or production systems. OSS Decl. ¶¶ 801-817. SATE enables CLECs to test in SATE their ability to receive and process every response they might receive in production. SATE thus performs “the same key functions” as production. *Id.* ¶ 817, *quoting Texas 271 Order* at 18421-22 ¶ 138; *see Qwest 9-State Order* ¶ 139. To further enhance SATE, Qwest now provides automated post-order responses (since January 26, 2002) and, effective May 20, 2002, implemented test flow-through components and a test service order processor. *See Qwest 9-State Order* ¶ 137 & n.508; OSS Decl. ¶¶ 787-788; *see also Texas 271 Order*, 15 FCC Rcd at 18421 ¶ 138.

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46/ The Commission did not address whether the Interoperability environment satisfies this test. Qwest believes that it does, however, as shown in the OSS Decl. at ¶¶ 767-774.



As the Commission concluded in the 9-State proceeding, the commercial data provide strong evidence of the adequacy of Qwest's test environment. *Qwest 9-State Order* ¶¶ 137-138; *see also Texas 271 Order*, 15 FCC Rcd at 18420 ¶ 134. As of July 14, 2003, 20 individual CLECs had successfully completed SATE testing and had achieved production status for EDI implementation of pre-ordering capabilities, with six additional CLECs testing and achieving production status through a service bureau. OSS Decl. ¶ 819 and Confidential Exh. LN-OSS-138.

One PID is relevant to SATE. PO-19 "evaluates Qwest's ability to provide accurate production-like tests to CLECs for testing both new releases and between releases in the SATE environment." 14-State PID 5.0 at 26 (PO-19); *see Qwest 9-State Order* ¶ 137 & n.508. A 95% benchmark took effect in the ROC states in March 2002. *Id.* With one small exception, Qwest satisfied this measure in the last four months ending in June. OSS Decl. ¶ 821; Arizona Commercial Performance Results at 98-100 (PO-19A). Qwest has agreed to modify the current PID to create a submeasure (PO-19B) that would compare the execution of the same transactions in production and in SATE, in order to further measure the extent to which SATE mirrors production. OSS Decl. ¶¶ 821-825. The ACC Staff has accepted Qwest's proposal, agreed to by AT&T, to modify the definition of PO-19B to include a broader set of test transactions. *Id.* ¶ 823 and Exh. LN-OSS-187. The July 2002 (10.0), November 2002 (11.0), and April 2003 (12.0) PO-19B results met the applicable benchmarks, and the November 2002 and April 2003 results satisfied the modified PO-19B formulation as well. OSS Decl. ¶ 824; Arizona Commercial Performance Results at 100 (PO-19B).

Qwest makes SATE available for an extended testing period. CLECs may test a particular EDI release in SATE for 30 days prior to and, on average, six months after the introduction of the next release. OSS Decl. ¶ 798; CMP Decl. ¶¶ 59, 82. The FCC has cited